BUDGET
1985-86

Speech of

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Minister for Finance

Panguni 13, Rakthatchi, Thiruvalluvar Aandu-2016

26th March 1985

Speech of Thiru V. R. Nedunchezhiyan, Minister for Finance, Government of Tamil Nadu presenting the Budget for 1985-86 to the Legislative Assembly on 26th March 1985, Panguni 13, Rakthatchi, Thiruvalluvar Aandu 2016.

Hon'ble Speaker Sir,

I rise to place the Revised Estimate for 1984-85 and the Budget Estimate for 1985-86 before the House for its approval. I have great pleasure in presenting the Budget proposals to this House that has been convened after the eighth General Elections held in Tamil Nadu and I also seek your co-operation. The great Saint Thiruvalluvar has said :

> "*Nothing exists but wealth that can change*
> *a poor man to a worthy man.*"

It means that there is nothing as worthy as wealth which has the quality of imparting worth even to a worthless man. This saying of Saint Thiruvalluvar exemplifies the intrinsic merit of finance. In conformity with this, the Government have been carrying out multifarious schemes and welfare programmes to provide succour generally to all those who lack facilities and in particular to those who are the deprived and poverty stricken.

2. I consider it my duty to touch upon the general conditions in India and in Tamil Nadu which is an integral part of this country before I come to the subject of finances

of the State. The problems which affect the country as a whole do affect Tamil Nadu also to a great extent. Economic inadequacies, scarcity of essential commodities, the load of taxation to be borne by the general public, uncontrollable escalation in prices, population explosion, unemployment, increasing costs of fuel, agricultural inputs and construction materials, increase in Railway fares—all these have their impact on Tamil Nadu as much as they have their effect on the whole of India. The State has to absorb these adverse impacts while, at the same time, shouldering the responsibility for implementing developmental schemes, welfare programmes, relief works and such others to raise the downtrodden above the poverty line. The State Governments have direct contact with the people and also have the onerous duty to look after their general welfare. But they enjoy only limited opportunity, scope or authority to raise the economic resources necessary for discharging these obligations fully and successfully. The people in general have started to aspire for the fulfilment of all their essential needs and also seek to enlarge the opportunities and avenues for increasing their comforts.

3. In the Indian federal set up, the State Governments are obliged to look to the Centre for assistance off and on as their own powers, rights and financial resources are severely restricted. It is on this count that we have been reiterating the need to provide adequate autonomy and authority as well as proper financial devolutions to the States to create a climate in which they could raise more revenues and increase their prosperity. This Government have been repeatedly advocating the principle of

autonomous States which would not only fit in with the concept of national integration but will also not hurt a true and strong federal structure.

4. Professor of Political Philosophy Wheare has also clarified "the Central Government and State Governments should both independently have adequate financial resources to discharge their individual responsibilities".

5. Perarignar Anna has also pointed out in explaining the concept of federalism and State autonomy that "the States are often getting converted year after year into municipal corporations. The States are even getting obliterated as they are relegated into the background so far as authority, powers and financial resources are concerned. The states have become increasingly aware, that they should be provided with all the authority necessary for governing themselves. Our Constitution should be reviewed on the basis of a truly federal ideology. We must urgently carry out in full all that is needed for the blossoming of true federalism in India".

6. Bodily well-being will be assured only if the organs and limbs are well and strong. Similarly, only if the States have the financial resources to discharge their administrative responsibilities fully and well, can India become strong and prosperous. In order to put into effect these ideologies, we have been continuously pressing for the necessary amendments to the Indian Constitution.

7. We confidently hope that the year 1985-86 will usher in an era of prosperity and economic growth. After the ravages of two consecutive droughts the year 1984-85 witnessed clement weather conditions which gave a fillip to the economic activities both in agriculture and other fronts. The State has reached the take-off stage with the substantial increase in agricultural production and industrial activity I am confident that with the support of the House, we can look forward to the future of prosperity for Tamil Nadu.

Planning and Development

8. The Honourable Members are aware that the current year is the terminal year for the Sixth Five-Year Plan. The State can look back upon its achievements during the Sixth Five-Year Plan period with satisfaction. The Plan performance is likely to be of the order of Rs. 3,600 crores against the originally approved outlay of Rs. 3,150 crores. The thrust in the Sixth Five-Year Plan was to implement the poverty eradication and welfare programmes vigorously. During the Seventh Five-Year Plan the gains of the previous plan will be consolidated and special efforts will be made to step up the developmental activities. The Government have formulated the State's Seventh Plan for a total outlay of Rs. 7,000 crores. However, the discussions in the Union Planning Commission are not yet over and the final Seventh Plan is likely to emerge sometime later.

9. As against the approved outlay of Rs. 927 crores, the Annual Plan 1984-85 is likely to involve an expenditure of Rs. 975 crores, registering an increase of Rs. 48 crores over the approved outlay. The Annual Plan 1985-86

has been prepared with an outlay of Rs. 1,002.61 crores. However, the Budget for 1985-86 provides for an outlay of Rs. 1,102 crores. It may however be mentioned that the final discussions with the Union Planning Commission on the Plan outlay are not yet over and the overall plan outlay will ultimately have to be tailored to the clearance accorded by the Union Planning Commission. The necessary changes in the budgetary allocation may have to be made at a later stage in the light of the decisions taken in the final round of discussions with the Union Planning Commission.

10. The performance of the State in achieving the plan targets in the past has always won approbation of all. The consistently increasing plan outlay has to be viewed against the background of severe resource constraints which are the result of the raw deal the State has suffered at the hands of the Eighth Finance Commission. The Annual Plan for 1985-86, being the first year of the Seventh Plan, will be one of consolidation and stabilisation. The basic priorities for the Seventh Plan as approved by the National Development Council will be food, work and productivity. These will be the guiding principles of the Annual Plan 1985-86, which is the first year of the Seventh Plan. Provision has been made for spillover schemes and new schemes have been considered only on a selective basis. Investment allocation in the Plan has been weighed heavily in favour of core sectors like Power with the objectives of maximising the growth potential of the economy. A greater thrust has been given for poverty alleviation programmes with a view to lifting a sizeable number of the population above the poverty line.

11. Tamil Nadu has been giving highest priority to the successful implementation of the Twenty-Point Programme. In 1982-83, Tamil Nadu was adjudged best in terms of performance under the Twenty-Point Programme. During 1983-84 also, the State secured 80 per cent to 90 per cent of achievement, based on the scorable points despite being severely handicapped by unprecedented droughts. During the current year, the administrative machinery has been geared up to secure for Tamil Nadu the first place at all India level. Up to the end of January 1985, Tamil Nadu has achieved more than 75 per cent of the target in respect of pulses, oil seeds, IRDP, NREP, RLEGP, surplus land, bonded labour, Scheduled Caste families, Scheduled Tribe families, drinking-water, house sites allotment, slum improvement, EWS houses, pumpset energised, tree planting, bio-gas plants, sterilisation, Primary Health Centres, Sub-centres, enrolment in age-group 6—14, Adult literacy and setting up of small industries.

12. The Government have recently created the Tamil Nadu Energy Development Agency to develop and propagate the use of new and renewable sources of energy in Tamil Nadu. For 1985-86, an outlay of Rs. 95 lakhs has been proposed for solar thermal energy activities with a view to propagate the use of solar thermal energy in industries to meet a part of their heat requirements. The integrated rural energy programme which aims at meeting the rising demand for energy in rural areas through an optimal mix of both conventional and non-conventional energy sources is being implemented currently in five select blocks with a fund allocation of Rs. 12.5 lakhs for each

block. During 1985-86, it is proposed to intensify the activity in the five on going blocks and also to extend this scheme to 12 more blocks.

Rehabilitation

13. The Government are deeply concerned and pained with the out-break of ethnic violence in Sri Lanka. There has been a great influx of refugees from Sri Lanka from 5th February 1985. The refugees have been accommodated in the transit camps at Mandapam, Kottapattu and various other places. On their arrival, cash, food, rice at subsidised rates, clothes, cooking utensils besides shelter are being given to them. The State Government earnestly hope that the Government of India will intervene in the matter and see that the atrocities on the hapless Tamil people in Sri Lanka comes to an end forthwith. From the year 1977 to December 1984 the State Government have sanctioned more than Rs. 40 crores as loan and grants to rehabilitate the Sri Lanka repatriates. In the current year itself the Government have sanctioned a sum of Rs. 66 lakhs for the refugees till 10th March 1985. The State Government is making all possible efforts by urging the Government of India to ensure an early and amicable settlement of the problems of Sri Lanka Tamils.

Agriculture

14. Agriculture continues to be the mainstay of our economy. During 1984-85, though the south-west monsoon brought copious rain, the north-east monsoon was somewhat inadequate. However, the agricultural production during 1984-85 has shown a remarkable improvement

despite several constraints and unfavourable situations. The anticipated production for the year is : Rice about 60 lakhs M.T., Millets 20 lakhs M.T., Pulses 4 lakhs M.T. and Sugarcane 25 lakhs M.T. The results obtained under the scheme of five tonnes per hectare introduced in 1984-85 had been very encouraging and in many parts of the State, production of five M.T. per hectare has been achieved during the Kuruvai season.

15. Agricultural Engineering is playing an important role in improving Agricultural production by implementing soil and water conservation, Command Area Development Programme, land levelling, etc. During 1985-86, the Department of Agricultural Engineering has programmed to take up land levelling in 7,000 hectares; mechanised cultivation in 18,800 hectares and sinking of 4,850 tube-wells and 2,920 filter-points. Soil and water conservation will be taken up in 57,850 hectares under soil conservation, River Valley Project and Western Ghat Development Programmes. Under Command Area Development, on Farm Development works will be carried out in 38,000 hectares in Cauvery, Periyar, Vaigai, Lower Bhavani and Sathanur Commands. Construction of percolation ponds under Rural Landless Employment Guarantee Programme will be continued during 1985-86 and 1,000 percolation ponds and 500 check dams will be constructed at a cost of about Rs. 10 crores.

16. Development of oil seeds and increase in the area under cultivation for coconut is receiving constant attention of the State Government. During 1984-85, 13.86 LMT of oil seeds are expected to be produced. Government are

making every effort to increase the coverage of the groundnut seeds provided by the Department. Similarly, great emphasis is being laid on increasing the area under coconut in the year 1984-85. Accordingly, 36 lakh seedlings were produced and distributed by the Department during 1984-85. A mother palm garden has been established in 140 hectares at Neyveli with assistance of Coconut Development Board. It is also proposed to expand the DxT farm at Ettankulam in Tirunelveli district during 1985–86. Similarly, one foundation seed production centre for oil seeds is being sanctioned in the year 1985–86 at a cost of Rs. 5.43 lakhs.

17. A project to strengthen the regulated markets at a cost of Rs. 102.44 crores has been posed to the World Bank for appraisal. This project is likely to be taken up during 1985–86 after the clearance from the World Bank and the Government of India is obtained.

18. Livestock wealth is of vital significance to farmers in Tamil Nadu as it provides the main source of work-power for agriculture, protein rich meat and milk for the people. The efforts for the development of livestock have mainly been directed towards improving the genetic potential of cattle, sheep, pig and poultry. A scheme for introduction of artificial insemination facilities through frozen semen technique in 125 sub-centres in the districts of North Arcot, South Arcot and Chengalpattu has been taken up at a cost of Rs. 15.26 lakhs with a view to ultimately improve the milk yield. In the year 1985–86, it is proposed to extend this technique to another 100 centres at a cost of Rs13.00 lakhs. A scheme for opening 10 Veterinary dispensaries at an estimated cost of

Rs. 19.7 lakhs has also been approved for the year 1985-86 The Government have also decided to sanction in the coming year one more Intensive Cattle Development Project at an ultimate cost of Rs. 27 lakhs.

19. To continue research and dissemination of improved techniques for agricultural production, one more Agricultural College was sanctioned in 1984-85 and preliminary works have been commenced.

20. In order to meet the increased demand for technical veterinary manpower in Tamil Nadu for development, research and teaching activities, the Government have accepted in principle to start another Veterinary College in the State. The Government have accordingly issued orders locating the second Veterinary College at Lathivadi in Namakkal, Salem district, to be opened during the academic year 1985-86.

21. The Operation Flood Programme-II is now being implemented in nine districts in Tamil Nadu. It has now been proposed to extend it to three more districts of Tiruchirappalli, Thanjavur and Pudukkottai at an estimated cost of Rs. 13.83 crores from 1st April 1985 for a period of five years. A new Chilling Centre at Mayiladuthurai in Thanjavur district with 10,000 LPD at an estimated cost of Rs. 19 lakhs has been sanctioned by the Government and the project will be completed by the end of December 1985. In the year 1985-86, the Government have also proposed to sanction a sum of Rs. 4.24 lakhs for the revival or conversion of dormant societies into milk Producers' Co-operative Societies.

22. Government have been attaching great importance to the improvement of public distribution system. Accordingly, Government have decided to bifurcate those shops which have more than 1,000 cards attached to them. As a result 2,714 new shops were opened this year. This is expected to increase the efficiency of the public distribution system. Because of the increase in the maximum limit of the supply of rice to 20 Kg., the distribution from the fair price shops has been increased from 50,000 MT of rice to 80,000 MT every month. Due to the comfortable stock position of rice, Government have been able to meet these demands without any problem. The administrative cost of supplying rice to the poor people at a cheap rate of Rs. 1.75 per kg. works out to nearly Rs. 90 crores.

23. The Government have also decided to implement the huller subsidy scheme in Tamil Nadu to encourage the modernisation of Rice Mills at a cost of Rs. 11.25 lakhs in the year 1985–86. It is also proposed to create storage capacity in Tuticorin for storing imported edible oil at a cost of Rs. 15 lakhs next year. The Government have also started a scheme for construction of permanent direct purchase-*cum*-storage centres in Thanjavur district in a phased manner.

Industries

24. The Government is attaching great importance to the industrial development which is a great stimulant for the economic growth.

25. Tamil Nadu Industrial Development Corporation has taken up the major project for the manufacture of 50,000 tonnes per annum of Linear Alkyl Benzene in joint sector at the project cost of Rs. 108 crores with employment potential of around 300 persons. Another project which is expected to commence commercial production during 1985–86 is the manufacture of 15,000 tonnes per annum of Nitroglycerine based explosives at a cost of Rs. 20·85 crores with an employment potential of 540 persons. 16 other projects with total project cost of Rs. 276·82 crores and employment potential of 6,100 persons are in the pipeline. Under the aegis of SIPCOT 4 growth centres at Gummidipoondi, Cuddalore, Pudukkottai and Manamadurai have been created and steps have been taken to implement the Industrial Growth Centre at Tuticorin. The State Government are also actively involved in providing necessary infrastructural facilities in the Madras Export Processing zone. In the Budget Estimate 1985–86, a provision of Rs. one crore has been made to meet the cost of acquiring lands for the project.

26. The Tamil Nadu Industrial Investment Corporation is extending credit facilities not only for the starting of new units but also for expansion, diversification and modernisation of exiting units. This in turn helps generation of employment opportunities. The total assistance which is expected to be extended for the year 1984–85 will be Rs. 60 crores. During 1985–86, the Corporation will also act as an agency for extending assistance under MUDP-II. A provision of Rs. 2·00 crores has been made in the Budget Estimate, 1985–86, for this purpose.

27. The Tamil Nadu Khadi and Village Industries Board provides employment to poor people in the rural areas through its own units under Khadi and Village Industries Sectors. The total value of goods sold by the Khadi and Village Industries Board and by the Industrial Co-operative Societies and individual artisans aided by it during 1984–85 will be of the order of Rs. 94 crores. During 1985–86, this is to be stepped up to Rs. 107 crores. The Board has so far sanctioned financial assistance to 43,951 artisans engaged in various village industries. Additional employment would be provided to 19,040 persons in 1985–86.

28. With the financial assistance from the Housing and Urban Development Corporation, Weavers' Housing Scheme is being implemented for the welfare of the members of the Weavers' Co-operative Societies. It is proposed to construct 5,000 houses before the end of Sixth Plan period. With a view to supply yarn at reasonable price, the Government have decided to set up a Raw Material Bank at an ultimate cost of Rs. 50 lakhs.

29. In the year 1985–86, the Government have proposed to take up Coir Development Schemes at a cost of Rs. 18.11 lakhs. It is also proposed to organise an Industrial Co-operatives Tea Factory in Kinnakorai at a cost of Rs. 7.62 lakhs.

30. In the Governor's address mention has been made of the new Sugar factories being set up in the Co-operative sector. It is expected that ten more sugar mills will come up in the State during the Seventh Plan period.

31. The Government are taking a number of steps to attract investment by non-resident Indians by encouraging them to set up industries in Tamil Nadu. This work is attended to by the International Cell of SIPCOT. Full use is also made of the Indian Investment Centres available abroad. It is proposed to supplement these efforts by utilising the services of consultants based in important cities like New York.

Education

32. Education in all stages continues to receive the close attention of the Government. The expenditure under the Education Demand has been steadily increasing and for the year 1985-86 stands at Rs. 468 crores. The achievement of the State under universalisation of elementary education has been particularly noteworthy. For the age-group 5 to 11, against the all India target of 95 per cent by the end of Sixth Plan, the achievement in Tamil Nadu was 98.66 per cent. Similarly under age-group 11 to 14 the achievement was as high as 72.18 per cent against the all India target of only 50 per cent. The additional enrolment in this age-group during 1984-85 was 2.98 lakhs. The total additional enrolment during the Sixth Plan period was 13.67 lakhs. In order to give closer attention to each student and improve the standards of education, it is proposed to sanction in the year 1985-86 additional

posts of 500 Secondary Grade Teachers, 75 Tamil Pandits, 50 Physical Education Teachers, 150 B.T Assistants and 75 Post-Graduate Teachers.

33. The Government have been attaching great importance to the provision of buildings for Government High and Higher Secondary Schools many of which are suffering from inadequate accommodation. From the period 1977-78 to 1984–85 an expenditure of more than Rs. 22 crores was incurred for construction of buildings for Government High and Higher Secondary Schools, including Rs. 12 crores for constructing one class room plus one laboratory in each of 640 Government Higher Secondary Schools. The provision in 1985-86 for the buildings is of the order of Rs. one crore. Further, the Government have sanctioned an expenditure of Rs. 75 lakhs during 1985-86 for creating more sanitary facilities in these schools.

34. Preliminary action was initiated in 1984-85 itself on preparation for launching from 1985-86 the revolutionary scheme for making school education life oriented. Revised school curriculum and syllabus in tune with the concepts of the new scheme of Chief Minister's Life Oriented Education are being prepared by expert committees and new vocational courses are being introduced. The scheme involves a massive outlay and assistance is being sought from the World Bank and from the Government of India.

35. Tamil Nadu continued to retain its pre-eminence among all States in the matter of Vocational Courses at Higher Secondary level. Out of 3.32 lakhs of Higher

Secondary (Standards 11-12) students in 1984-85 as many as 61,502 (19 per cent) were studying vocational courses. The remuneration of part-time vocational instructors in Higher Secondary Standards was raised from Rs. 150 to Rs. 300 per month with effect from April 1984. Courses in Computer Appreciation Education have been introduced from 1984-85 in 16 Higher Secondary Schools.

36. The total number of Adult Education Centres which were functioning as on 31st December 1984 was 18,305. The number of adults studying in all these centres is 5.85 lakhs against the target of 5.50 lakhs for 1984-85. Out of them as many as 5.02 lakhs were women. Again out of the 5.85 lakhs of Adult learners, 2.91 lakhs belonged to Adi Dravidar and Scheduled Tribes. Tamil Nadu has won consecutively in 1983-84 and 1984-85 the State level Award of Rs. 25 lakhs under the scheme of the Union Education Ministry for best performance in enrolling women in Adult Education Centres. It will be remembered that the State Adult Education Department had covered itself with glory even earlier by winning from the UNESCO the prestigious Nadezhda Krupskaya Literacy Award for 1982. In the year 1985-86, the Government have decided to open 6 additional State Adult Education Projects.

37. The Government are giving liberal grants to the new Universities set up in recent years—viz. Bharathiyar University, Coimbatore ; Bharathidasan University, Tiruchirappalli ; Tamil University, Thanjavur and the Mother Teresa Women's University, Kodaikanal towards their campus building projects

and towards development schemes. The total provision in Budget Estimate, 1985-86 for Grants to Universities for General Education is of the order of Rs. 7·10 crores. Legislation is being introduced for establishing the University at Karaikudi announced already. During the Sixth Plan period as many as 65 additional Degree courses and 30 additional Post Graduate courses were opened in various Government colleges in the State. Provisions of Rs. 3 lakhs for additional Degree courses and Rs. 3 lakhs for additional Post Graduate courses have been made in Budget Estimate, 1985-86.

38. Having regard to the heavy demand for admission into Technical Education institutions on the one hand, and the resources constraint of the Government to go in for Government or Government-aided Technical Educational institutions on the other, the Government have now been permitting the starting of Self-financing Polytechnics and Self-financing Engineering Colleges laying down, however, safeguards for the proper running of these institutions. 53 Self-financing Polytechnics have been permitted to be opened in Tamil Nadu during the past 3 years. 17 Self-financing Engineering Colleges were permitted to be opened in 1984-85.

39. A provision of more than Rs. 20 lakhs has been made in Budget Estimate, 1985-86 for the new development schemes of the Directorate of Technical Education which include the starting of certain new degree and diploma courses, provision of academic and hostel buildings and modernisation of laboratories and workshops.

40. Government are committed to provide safe drinking water to all the people in rural and urban areas. After the end of the Sixth Plan, 7,226 problem villages would have been covered at a total cost of Rs. 107.69 crores. Due to the prevalence of continuous droughts in the State, non-problem habitations have been reclassified as problem habitations. The Government have provided water-supply to these reclassified habitations under Self-sufficiency Scheme. During the Sixth Plan period, a total sum of Rs. 89.13 crores has been spent under this Programme. During the Seventh Plan period, the target is to provide water-supply to 10,900 habitations at a cost of around Rs. 250 crores.

41. The Government have made a provision of Rs. 24 crores for the Minimum Needs Programme for the year 1985–86. To treat, the water with an excess flouride content and make it potable, a scheme costing Rs. 15 crores has been taken up with the assistance of E.E.C. This scheme will be completed within a period of 2½ years. The expenditure in 1985–86 for this is expected to be Rs. 6.52 crores. Similarly, Government have proposed to tap the L.I.C. assistance for rural water-supply by providing necessary matching contributions to the tune of Rs. 5.65 crores in the year 1985-86. Totally, the outlay on providing water-supply in rural areas for the year 1985–86 would be of the order of Rs. 55 crores. As already announced by the Chief Minister it has been proposed to extend tap connections wherever sources of water–supply have been identified.

42. For the year 1985–86, the total outlay of Rs. 10 crores is anticipated under the World Bank Assistance Programme to provide water-supply to certain big and medium size towns. The Madras Metropolitan Water-supply and Sewerage Board has programmed implementation of several schemes to improve the existing water-supply and sewerage facilities in Madras City with the assistance of the State Government. Considering the necessity to enlarge Water-supply Treatment Plant at Kilpauk, with the increased demand from the expanding metropolis, the works for construction of additional 90 mld. Water-supply Treatment Plant will be taken up during the year at an estimated cost of Rs. 470 lakhs.

43. The encouraging results of cloud seeding operations conducted by M/s. Atmospherics Incorporated, United States of America, during July–September 1983 convinced the Government to undertake these operations on a continuing basis in the State. The Government purchased the cloud seeding aircraft, radar and spares thereto at a cost of Rs. 43,13,633 from M/s. Atmospherics Incorporated, U.S.A. which have also agreed to impart training to Indian crew in the Cloud Seeding Technology while conducting the cloud seeding operations for a five month period from 1st July to November both in 1984 and 1985.

44. Under the scheme of self-sufficiency for municipalities, Government had sanctioned a sum of Rs. 500 lakhs in 1984–85 for the implementation of the scheme for 30 municipalities under Phase III and 1,560 works were taken up for execution. A provision of Rs. 5 crores has been made in the year 1985–86 to execute the Self-Sufficiency Scheme in the Municipalities.

45. The Government subscribe to the philosophy that the prosperous villages alone would make a strong Tamil Nadu. In keeping with this view, Government have always been on the forefront in various activities promoting rural development. The RLEGP was taken up with unmatched fervour by the State Government. This Centrally-Sponsored Programme intends to provide employment to at least one person per family for a period of not less than 100 days in a year. The allocation for this year is Rs. 44.50 crores. The shelf of schemes which has been drawn up in this programme includes construction of rural link roads at a cost of Rs. 24 crores, land development and soil conservation at a cost of Rs. 14·33 crores, minor irrigation at a cost of Rs. 16 crores and construction of 20,000 houses for the rural poor at a cost of Rs. 15·30 crores. The outlay for 1985-86 is likely to be Rs. 65 crores.

46. Government have been implementing NREP with a view to provide employment opportunities to the rural workers, particularly during the lean periods, creating at the same time durable community assets like school buildings, rural roads, community centres, etc. During 1984-85 originally a provision of Rs. 42·6 crores was made which has been increased to over Rs. 50 crores in the Revised Estimates for 1984-85. During 1984-85, 13,518 spillover and 10,883 new works have been completed up to 28th February 1985. 2,000 school buildings, 5,500 community centres and 9,000 rural houses have been constructed under this programme. In 1985-86, the allocation for the programme has been fixed at Rs. 53.48 crores.

47. Government have been implementing the Integrated Rural Development Programme with commendable success. The outlay under this programme excluding the share of the Government of India was Rs. 16.28 crores in 1984-85. This has been increased to Rs. 29.52 crores for the year 1985-86.

48. In the year 1983-84, Government of India launched a massive programme for the assistance of small and marginal farmers. The expenditure under this programme is shared equally by the Centre and the State. The programme is likely to be continued for 1985-86 also with financial outlay of about Rs. 17 crores.

49. Encouraged by the success of Self-Sufficiency Scheme in the Panchayat Unions, the Government have extended the scheme to the Town panchayats in phases. In the third phase, works to the tune of Rs. 6.89 crores have been taken up by 274 town panchayats in the year 1984-85.

Social Welfare

50. The Government have already taken up a number of social welfare measures for the advancement of Adi-Dravidar, Backward Classes and other handicapped sections of the society.

51. The Special Component Plan for Adi-Dravidar is being implemented with a major objective of the economic development of the Adi-Dravidar and to provide basic amenities in Adi-Dravidar colonies. This objective will be achieved by mobilising efforts of various Departments during the year 1985-86 and a sum of Rs. 125·60 crores will be spent under Special Component Plan for

Adi-Dravidars. Besides this, a sum of Rs. 13 crores is expected as Special Central Assistance from the Government of India, which will be used for economic development of the Adi-Dravidars.

52. The Tamil Nadu Second Backward Classes Commission, set up to make a scientific and factual investigation of the condition of the Backward Classes in the State and to recommend specific measures for their advancement in consistence with the provisions of the Constitution of India, has submitted its report and it is under active consideration of the Government. In the year 1985–86, the Government have also decided to open 20 hostels for Backward Classes and 15 hostels for the Adi-Dravidars at a total cost of Rs. 23 lakhs.

Health

53. The Government are fully committed to provide "Health for all by 2000 AD". In pursuance of this policy, the Government have made available many facilities for providing quick medical relief and for taking various preventive steps. As against the target of establishment of 2,343 additional health sub-centres, till December 1984, 2,284 sub-centres have been established. The balance will be established before the end of 1984-85. During the Seventh Five-Year Plan, the Government have proposed to establish 2,978 sub-centres. For the year 1985-86, the Government have also proposed to establish 20 units of subsidiary health sub-centres at a cost of Rs. 44·6 lakhs with an ultimate objective of providing one subsidiary health sub-centre for a population of 5,000 in plains and 3,000 in hill areas.

54. Comprehensive Health Care Scheme for the benefit of Handloom Weavers and Beedi Workers has been sanctioned by the Government of Tamil Nadu and under this scheme, five Mobile Medical Units assisted by Mobile MMR units will cover the entire State starting from Salem, Erode, Dindigul, Tuticorin and Vellore.

55. The population policy rests on voluntary acceptance of family planning methods by the people. With a view to accelerate the pace of the Family Welfare programme in this State, extensive mass education and media support is being provided, dovetailing it with increased services and supplies. As against a sterilisation target of 4·75 lakhs for 1984-85, 416,145 sterilisation have been performed up to the end of February 1985 and it is expected that the sterilisation target will be achieved before the close of the financial year. The Government have proposed to sanction in the year 1985-86 additional 250 Post-partum beds at an utlimate cost of Rs. 87·94 lakhs.

56. The Government have also taken a decision to start a Medical College at Salem, and the various details are being worked out for making the necessary provision for this. The Government have proposed to increase the bed strength of the Government Hospitals in Virudhunagar and Sivaganga at an ultimate cost of Rs. 30 lakhs.

Indian Medicine and Homoeopathy

57. The Government continue to attach prime importance to the development of Indian system of Medicine. During 1984-85, the Government have appointed District

Siddha Medical Officers in 15 districts of the State. In the year 1985-86, Government have proposed to establish Siddha Pharmacy in 4 districts at a cost of Rs. 10 lakhs. The Government have also undertaken a scheme to print and publish the text books and reference books on the system of Indian medicine at a cost of Rs. 3 lakhs in the coming year.

Housing and Urban Development

58. The Government are very keen to take care of the basic necessities of the people, especially, those belonging to the weaker sections of the society. The activities of the Tamil Nadu Slum Clearance Board and the Tamil Nadu Housing Board bring out the concern which the Government have for providing shelter to all. During 1984–85, the Slum Clearance Board has proposed to complete 2,000 tenements by utilising the Government grant of Rs. 200 lakhs and obtaining a loan of Rs. 152 lakhs from HUDCO. In the year 1985–86 it is proposed to construct 1,000 tenements in the City of Madras and in the district headquarters. Similarly under the Accelerated Slum Improvement Scheme, during 1985–86, the provision has been kept at Rs. 70 lakhs which will together with the matching fund from HUDCO benefit about 10,000 families in the City of Madras and in the mofussil. The MUDP-II was started in the year 1980-81 with the target of benefiting 50,000 slum families at an estimated cost of Rs. 27.80 crores. Till 1983-84, 35,000 families were benefited and in 1984-85, it is proposed to extend the benefit to 15,000 families

at a cost of Rs. 6 crores. During 1985-86 it is proposed to spend Rs. 5 crores under this scheme by taking up improvement works and sanction of home improvement loans.

59. Under MUDP-I, Sites and Services component, which is implemented by Tamil Nadu Housing Board, an amount of Rs. 1.3 crores is likely to be spent in the year 1984–85. For the year 1985–86, a sum of Rs. 1.20 crores has been provided to complete the balance of work. Under MUDP-II, Maduravayal Scheme, it is proposed to complete 2,715 units during 1985–86. A sum of Rs. 350 lakhs has been provided in the Budget Estimate, 1985–86 for the implementation of the MUDP-II Scheme.

60. The Madras Metropolitan Development Authority which was set up to plan for the orderly development of Madras Metropolitan area is engaged in planning, co-ordinating, and promoting development in the Metropolitan area. Several measures are being taken to decongest the "Central Business District" of Madras City. These include the relocation of wholesale markets by shifting the existing Kottaval Market to Koyambedu, shifting of Iron, Steel and Hardware market to Sathangadu and the setting up of Bus and Truck terminals at Koyambedu and Madhavaram. The MMDA is also co-ordinating implementation of MUDP-I and II Projects. The MMDA has taken the initiative in the development of Satellite towns at Manali and Maraimalai Nagar.

From State Government funds and institutional sources, it is proposed to spend Rs. 3,55.00 lakhs during 1985–86 for various schemes implemented by the MMDA.

61. The Mass Rapid Transit System from Madras Beach to Mylapore Luz has been cleared by the Government of India. The total distance is 8.45 kms. The cost of the project is about Rs. 60 crores. Orders have been already issued to handover advance possession of Government vacant land, measuring 62 acres along the alignment, to the Railways free of cost. A high level Co-ordination Committee under the Chairmanship of Vice-Chairman, MMDA has also been constituted to expedite the implementation of the scheme. The first phase of the work has just been commenced.

62. The Government have been implementing the Rural Housing Scheme. In the year 1985–86, Rural houses will be provided under RLEGP, NREP and Rural Housing Scheme. A large number of houses are likely to be constructed in the coming year.

63. The Government have approved, in principle, the implementation of the Urban Development programme in Coimbatore, Tiruchirappalli, Salem and other regional centres at a total cost of Rs. 18 crores. The details of the scheme will be worked out and the programme taken up for implementation. The Government continue to implement the Integrated Urban Development Programme for small and medium towns. This programme is being implemented under the

categories of centrally assisted scheme as well as the State Plan Scheme. The total outlay provided for the year 1985-86 is Rs. 7.10 crores.

Co-operation

64. The Co-operatives play a leading role in the efforts of the Government to extend cheap credit facilities to farmers. However, the success of this scheme depends upon the disciplined repayment of the principal by the farmers. In the past, the mounting overdues had crippled the co-operative movement. With the slight improvement in the repayment of co-operative loans by the farmers, the credit co-operatives have shown better results in the field of agricultural credit. Short-term loans for cultivation purposes and medium-term loans for undertaking subsidiary occupations provided to the farmers increased to Rs. 108.20 crores during the period up to January 1985 in the current year, as against Rs. 88.56 crores during the whole of the preceding year, 1983-84. It is proposed to increase it further to Rs. 155 crores during 1985-86 Long-term loans for agricultural purposes have been provided to the tune of Rs. 10.98 crores up to January 1985 and the target for 1985-86 is Rs. 18 crores. The Credit Co-operatives including Urban Co-operative Banks have provided, up to January 1985, during the current year, loans on the security of jewels to the tune of Rs. 1,74·56 crores, of which Rs. 53·54 crores were provided by the Village Agricultural Service Co-operative Societies.

65. The small farmers who repay their short-term loans and medium-term loan instalments on the due dates will continue to get an interest rebate of 2 per cent. As a further measure to relieve the debt burden of agriculturists Government have ordered the waiver of recovery of the interest on overdue instalments and penal interest from the borrowers of primary land development banks, if they repaid before 31st March 1985 their entire overdues as on 30th June 1984. The amount collected by way of interest on overdue instalments and penal interest during 1983–84 was also refunded, if the borrowers had actually repaid fully their entire loan outstanding or overdue during 1983–84. Up to 15th February 1985, 74,274 borrowers have availed themselves of this concession amounting to Rs. 2.20 crores.

66. With a view to bring the agricultural families belonging to Adi-Dravidar Community into Co-operative fold a member of each such family is enrolled in the Co-operative Credit Society concerned by providing Government subsidy of Rs. 100. So far, 90,000 such families have been brought into the co-operative fold. It is proposed to cover 10,000 more families during 1985–86 with Government subsidy of Rs. 10 lakhs. It is also proposed to provide interest free loan, not exceeding Rs. 250 each to the members of the credit societies belonging to Scheduled Castes so as to enable them to take the required additional shares in respect of their borrowings. 1,000 members will be assisted under this scheme during 1985–86.

67. The Co-operatives continue to provide agricultural inputs to the farmers. Chemical fertilisers valued at about Rs. 49 crores have been distributed up to January 1985 during the current year and it is proposed to increase this to Rs. 70 crores during 1985–86. Towards, production incentive to farmers, Government provided Rs. 15 worth of fertilisers per quintal of paddy to the farmers in Cauvery Delta area, who supplied paddy to the Tamil Nadu Civil Supplies Corporation and also to the seed farm ryots in the area who supplied paddy seeds to the Agriculture Department during kuruvai season. Under this Scheme, the co-operatives supplied fertilisers to the value of Rs. 7.37 crores up to January 1985. Government have extended the incentive scheme for the samba season also.

68. The co-operatives continue to play a vital role in the distribution of essential consumer goods at fair prices, particularly in rural areas. In order to have a fair price shop for every 1,000 family card-holders, the co-operatives have opened more than 2,700 additional shops, including 1,439 additional shops in rural areas. The village shops effected sales to the tune of Rs. 122.82 crores during 1983–84 and Rs. 90.15 crores up to December 1984 during the current year.

Power

69. The Government are keenly aware of the multiplier effect which the power generation has on industrial production and employment opportunities and that is the reason why the outlay on power generation has always occupied

the prime position in the Annual Plans of the State Government. In the year 1985–86, it is proposed to increase the outlay from the current year's level of Rs. 237 crores to Rs. 326 crores. The recent concessions given to the small farmers and the hut dwellers by way of free supply of power has further eroded the resources of the Electricity Board. Government will have to step in with substantial assistance to enable the Board to perform the targetted plan outlay. Government have been laying great emphasis on rural electrification and energisation of pumpsets. Against the target of 20 villages for the year 1984–85, 23 villages have been electrified up to January 1985. During the Sixth Plan, 95,279 pumpsets were energised up to 1983–84. A target of 50,000 pumpsets has been set for the year 1984–85. In this regard, Members may also recall that Tamil Nadu already has the highest number of energised pumpsets among all the States in India.

70. During the Sixth Five-Year Plan period, the addition to the installed generating capacity would be 420 MW in the State Sector and 235 MW in the central sector. Besides this, work on 4 hydro schemes and one thermal scheme is in progress. Out of the 4 hydro schemes, Servalar HEP (20 MW) will be commissioned in June 1985 followed by the first 100 MW unit of Kadambarai PSS (400 MW) in January 1987, the first 15 MW unit of Lower Mettur HEP (120 MW) in September 1986 and the additional unit in Kundah V Power House (20 MW) in September 1987. The Mettur Thermal Scheme envisages an addition of 840 MW under Stages—I and II. The first unit of 210 MW will be commissioned in December 1986. The total addition to the generating capacity from the above

schemes would be 1,400 MW. North Madras (630 MW) and Tuticorin Extension Thermal Scheme (420 MW) which have been technically cleared but awaiting an investment decision by the Union Planning Commission and the Gas Turbine Project (100 MW) are the new schemes proposed to be taken up for execution in the Seventh Plan period. One unit of 210 MW capacity each in North Madras and in Tuticorin Extension Thermal Scheme and both the units of 50 MW of Gas Turbine are expected to be in operation before the end of the Seventh Five-Year Plan period.

Irrigation

71. Tamil Nadu which has always suffered from inadequacy of natural resources has got an excellent record of effective exploitation of the existing potential. This is particularly true in the field of irrigation as almost all the surface water is being utilised. The strategy for the future will therefore be to modernise the existing age-old irrigation system and introduce proper water management.

72. The Modernisation of Periyar-Vaigai Irrigation System envisaged extending irrigation over an extent of 10,305 hectares in Stage-I and an extent of 7,521 hectares in Stage-II. The Stage-I Project costing Rs. 44.50 crores has been completed in December 1984 with a World Bank Loan. The Stage-II Scheme costing Rs. 56.86 crores has been taken up with the aid of the World Bank amounting to 35 million U.S. Dollars. This is programmed to be completed by March 1988. The outlay for 1985-86 is Rs. 14.056 crores.

73. Modernisation of Thanjavur channels at a cost of Rs. 102 crores with the World Bank assistance is proposed to be taken up in phased manner from the year

1985-86. The Parambikulam-Aliyar Ayacut Extension at an estimated cost of Rs. 18 crores is in progress. The provision for the year 1985-86 is Rs. 3.10 crores. Further, the work for providing irrigation facilities to additional extent of 14,165 hectares at an estimated cost of Rs. 6 crores has been recently approved by the Government. The E.E.C. has agreed to give an assistance of Rs. 25 crores for the scheme of modernisation of 150 tanks in Chengalpattu, North Arcot, South Arcot, Pudukkottai and Ramanathapuram districts. The provision in this scheme for the coming year is of the order of Rs. 6.47 crores.

Forest

74. The Government have been according high priority to the forest conservation, afforestation and social forestry schemes. Under Social Forestry, a massive scheme is being implemented with the assistance of Swedish International Development Authority. The outlay for the year 1985-86 is expected to be Rs. 10.05 crores. Afforestation scheme is also being taken up under the Western Ghats Development Programme and Hill Area Development Programme.

75. The Government have formed Arasu Rubber Corporation on 1st October 1984. An area of 4,785 hectares has been taken over for rubber cultivation. In a short period of three months the Corporation has earned a revenue of the order of nearly Rs. 2 crores.

76. The Tamil Nadu Tea Plantation Corporation, which was formed, among other things, to absorb the repatriates from Sri Lanka has so far rehabilitated 2,300

repatriate families. The Government have accorded sanction for setting up of an additional Tea Factory under the Corporation at a cost of Rs. 180 lakhs with production capacity of 1.5 million kgs. per annum. The Corporation which is also exporting tea has started earning profits in the year 1983-84.

Police

77. The role of Police in the recent years has undergone a significant change. In addition to the enforcement of law and order and crime control, the Police is now actively involved in the enforcement of social legislation affecting the weaker sections such as PCR Act. The Tamil Nadu Police continues to acquit itself creditably both in its conventional and modern roles. The law and order situation in the State has been remarkably well maintained. The Government have also implemented various measures to improve the efficiency and effectiveness of the Police. The upgradation of communication network undertaken recently at a cost of Rs. 64.3 lakhs will go a long way towards improving the law and order situation and will facilitate early crime detection. In the year 1985-86, it is proposed to establish new Police Stations at a cost of Rs. 25 lakhs and to construct buildings for Police Stations at a cost of Rs. 59.86 lakhs.

Environment Control

78. The Government are keenly aware of the continued need for prudent environmental management which demands a positive and realistic approach to balance

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the human needs against the potential that the environment has for meeting them, by management of resources, control of Pollution and other environmental degradation. The Tamil Nadu Pollution Control Board has proposed to take up pollution control studies of specific industries, studies of major water resources and water management studies. The Government have decided to strengthen and assist the Environment Control Board by setting up regional laboratories at a cost of Rs. 9.76 lakhs in 1985-86.

Electronics, Science and Technology

79. A new Department of Electronics, Science and Technology has been constituted to take special charge of this important sector and ensure its speedy growth. It is the policy of the Government to rapidly expand the electronic industry in the State and to expand the application of Electronic Technology in modern life. The Electronics Corporation of Tamil Nadu has been strengthened and provided with resources to launch a massive programme for development of electronic industries that would place Tamil Nadu in a position of primacy in electronics. The Corporation has secured approval for floating 19 joint ventures covering practically the entire spectrum of electronic industries. This Corporation expects to generate an investment of over Rs. 200 crores in the public and joint sectors alone during the current decade. From a meagre turnover of about Rs. 35 lakhs last year, ELCOT and its joint ventures are expected to achieve a turnover of Rs. 5 crores during

the current year and reach a turnover of about Rs. 15 crores during the ensuing year. The State Government will be rendering further assistance to ELCOT to the tune of Rs. 1.5 crores in 1985-86.

80. In the year 1985-86, Government have proposed to establish a raw material depot at a cost of Rs. 6.25 lakhs, a Common Facility Centre at Industrial Estate in Coimbatore at a cost of Rs. 9 lakhs and an Electronic Product Development and Training Centre in Tiruchirappalli at a cost of Rs. 6.7 lakhs.

81. Remote Sensing techniques are being resorted to for obtaining optimal utilisation of the natural resources in the economic development of the Western Ghats and for the most efficient and conjunctive management of ground water and tank irrigation. The Institute of Remote Sensing that has been established in the Anna University is to acquire an interactive image processing computing facility and other sophisticated modern equipments. For the year 1985-86, Government have approved a scheme for strengthening the Institute of Remote Sensing at an ultimate cost of Rs. 80 lakhs.

Employment Services

82. Government have been according high priority to the development of skilled manpower. Government have proposed to establish two Industrial Training Institutes for Women at Gandhigram and Tiruppur at a cost of Rs. 20 lakhs.

Information and Tourism

83. The Department of Information and Public Relations has proposed to adopt the increased use of modern equipments in Information Technology and is moving towards modernisation. In this age of electronic explosion, the video has come to stay as a powerful medium for mass communication and the department has proposed to acquire and introduce them in the districts in a phased manner as a major field publicity effort of the Government. The cost for the year 1985-86 will be Rs. 4.75 lakhs. Modern Television equipments have been imported and installed in the Film and Television Institute for the benefit of the students. It is proposed to take up the construction of Auditoria-*cum*-Information Centres in the districts in a phased programme for conducting public meetings and cultural programmes and also to accommodate the Information centres. The Government have also decided to construct a Mani Mandapam in honour of Kaviyarasar Kannadasan at Karaikudi and a memorial for Tiruppur Kumaran, the freedom fighter, at Tiruppur at a total cost of Rs. 45 lakhs.

84. The Government have been assigning higher priority to encourage the tourism in Tamil Nadu. Accordingly, it has been proposed to put up a floating restaurant and to construct an Ornamental Pedestrian Bridge at Uthagamandalam at a total cost of Rs. 25 lakhs. The Government have also proposed to sanction a sum of Rs. 8 lakhs in 1985-86 for the development of District Excursion Centres. To facilitate accelerated Development of Tourism in the State, tourism projects in the Joint

Sector with the participation of private entrepreneurs are also being considered. The Government will also encourage investments by non-resident Indians living abroad in the Tourism Promotion scheme in the State. This will not only motivate additional investments in the tourism industry in terms of foreign exchange but will also make available the foreign technical know-how and expert management in the provision of tourism infrastructural facilities of international standards.

Institutional Finance

85. The Government had created the Institutional Finance Department to channelise the financial assistance from Commercial Banks to priority sectors. The Department through the District Collectors arranged for loan assistance from the Banks to weaker sections in society under various schemes like IRDP, Massive Programme for assisting Small and Marginal Farmers, Prime Minister's Self-Employment Programme for Educated Unemployed Youth, etc. A target of helping five lakh persons with financial assistance amounting to Rs. 100 crores was fixed for the year 1984-85. As against this, in the first nine months of the year itself a sum of about Rs. 165 crores has been disbursed to more than six lakhs beneficiaries. The same tempo will be kept up in 1985-86 also.

Labour

86. With a view to educating the rural workers about their rights and duties as a citizen and to motivate them to organise in the shape of trade unions and co-operatives and enlighten them about labour tenancy and social welfare

legislation, a scheme has been introduced to appoint honorary rural organisers at the block level. The scheme is being taken up in 75 blocks during 1984-85. This is a Centrally-Sponsored Scheme and the Government of India have been addressed to extend the scheme to 100 additional blocks during 1985-86.

Tamil Development

87. Department of Tamil Language and Culture has been recently formed to strengthen the activities to preserve the cultural heritage and traditions of the past and provide momentum for the growth of the various facets of Tamil Culture and implementation of Tamil as the language of administration. Tamil being the State language, the Government would endeavour to continue all its transactions in Tamil with greater vigour. In addition to continuing encouragement of literary activities through incentives, viz., the existing Thiru Vi. Ka. Award, Government propose to grant new awards after the names of Savant Thiruvalluvar and Perarignar Anna. Sangam literature is the golden mirror reflecting the ethos of ancient Tamil people. In grateful memory of Sangam celebrities, there is a proposal to erect memorials in their birth places and to start this at ten selected places in various districts.

Revenue

88. The Government have proposed to bifurcate the Madurantakam Taluk and form a new taluk at Cheyyur in Chengalpattu district in 1985-86. Similarly, it has been proposed to reorganise during 1985–86 the Dharmapuri

and Hosur Revenue Divisions and form a new Division with headquarters at Krishnagiri at an ultimate cost of Rs. 22 lakhs.

Welfare of Ex-Servicemen

89. The Government attach great importance to the welfare, resettlement and rehabilitation of the armed personnel discharged from service. Accordingly, it has been decided to constitute an Ex-Servicemen's Corporation to provide all assistance to ex-servicemen in securing financial assistance, and for the commencement and conduct of various business enterprises.

Shipping

90. In order to transport economically the coal required for the power stations and thus ensure smooth working of the thermal power stations, the Government had proposed to buy and deploy five specially designed ships. The first such vessel is under construction now and is likely to be commissioned shortly.

Child Welfare Schemes

91. The Chief Minister's Nutritious Meal Programme which was introduced in July 1982 continues to receive appreciation not only within the country but all over the world. The scheme operates in 65,344 centres and covers 24.34 lakh children in the age-group 2 to 4, 38.65 lakh children in the age-group

5 to 9, 16.72 lakh children in the age-group 10 to 15, apart from Old Age Pensioners and Ex-servicemen. The scheme was extended to the age-group 10 to 15 from 15th September 1984. The figures given above will clearly bring out the dimension of the problems involved in supplying regularly the nutritious meal to all the beneficiaries. The success of this commendable scheme is in no small measure attributable to the unremitting dedication of the Government to the welfare of the children. An evaluation study conducted recently has revealed that the children covered by the programme showed increases in the height and weight measurements over the period of 12 months which are higher than those suggested by ICMR. As against 32 per cent of the children who were initially free from deficiency after one year, 78 per cent of the children were found to be free from obvious deficiencies. Not only this, the scheme has also resulted in increased additional enrolment and decrease in the drop out ratio in the primary stage. Now, the Government propose to launch a comprehensive scheme for the child welfare. It is therefore proposed to take care of all basic necessities of the children. The Government have therefore decided to provide free uniform to all the deserving poor school children from 1st Standard to 8th Standard, at an approximate cost of Rs. 13.5 crores per annum from 15th September 1985. This scheme will have the multiplier effect of creating further employment opportunities in rural areas for the weavers. Women folk in the villages will be trained to stitch the uniforms under TRYSEM Programme and sewing machines will be supplied to them under IRDP.

The Programme will thus increase the economic and social status of women. It has also been decided to supply textbooks to these children from 1st Standard to 8th Standard free of cost at a total cost of Rs. 11.5 crores per annum. The children in the pre-school stage are also being provided with frequent medical check up. The health care facilities for the children will be further strengthened to provide complete health coverage for the children who will build a stronger and prosperous Tamil Nadu of the future.

Youth Services

92. 1985 has been declared internationally as the Year of Youth. This has been done not only because of the necessity to channelise the exuberance and the abundant energy of youth through constructive channels for social and economic growth but also because of the recognition that youth forms a significant percentage of the total population of the world to-day. Even in our country, according to 1981 census, 32 per cent of the population comprise of the younger generation.

93. Various countries take up different age-groups for being considered as the youth. In India, the age-group between 15 and 35 is taken for this sector. On this basis, in Tamil Nadu, out of the total population of 4.85 crores, 1.54 crores consist of men and women belonging to this age group. Out of them, 75 lakhs are men and 79 lakhs are women. It is a significant fact that the women out-number men in this age-group and they, together, form 32.25 per cent of our total population. It will, therefore,

be very appropriate that in this International Year of Youth, we launch a programme to provide facilities and opportunities for this younger generation not only to achieve physical and mental well-being but also to equip themselves for becoming useful contributors in our national adventure of economic and social growth.

94. This Government have already set up a department for Youth Services and also, in the current year, started the Tamil Nadu Sports Development Corporation to provide a network of facilities for channelising the energies of youth. There are certain agencies and schemes at present like the National Social Services Scheme and the Nehru Yuvak Kendras, which, in a small way, provide opportunities for the youth to take part in social and other activities. During the coming year, the Government feel that a Youth Centre should be started by all the Panchayats in the State which should provide both for the intellectual and physical growth of this younger generation. They should serve as focal points for the youth in those areas to congregate and express themselves in these fields without the isolating influences of caste, creed, community or politics. In the 378 panchayat unions in the State, youth sports centres will be started and the Panchayat Unions will provide necessary land and the Department of Youth Services will provide the infrastructure necessary for sports and allied activities under the supervision of competent trainers. Thus, a net work of facilities is proposed to be created in the State which can channelise the energies of the youth in the right direction and could also identify and tap dormant talent,

provide appropriate training where necessary and help them to shine later on in the national and international arena. The entire programme is expected to cost around Rs. 4 crores in the beginning and will be borne by Government assistance and the contributions of local bodies.

Government Employees' Welfare

95. In the course of my Budget Speech last year I had announced the decision of the Government to appoint the Fourth Pay Commission and I am happy to inform the House that the Commission has come to the concluding stage of its deliberations and shall be submitting its report by the Tamil New Year Day, 13th April 1985. I also assure the House that the action on this report will be taken up with equal alacrity and the orders will be issued without delay.

96. In the Budget for 1985-86, necessary provisions have also been made for increasing the lumpsum payments under the Family Benefit Fund Scheme from Rs. 10,000 to Rs. 20,000. Orders in this regard will be issued in the current year itself.

97. I am happy to announce that the Government have decided to lift the ceiling of Rs. 1,500 on the pension and revise the ceiling on gratuity to Rs. 50,000 from the present level of Rs. 36,000 for all the employees retiring on or after 31st March 1985.

Budget Performance

98. Eventhough in the Budget Estimates for the year 1984-85, care was taken to provide adequately for all foreseeable items of expenditure, the Revenue expenditure for the year in the Revised Estimates, has increased by over Rs. 120 crores. The main reasons for this increase are the sanction of production incentive by way of Rs. 15 per quintal of paddy brought to the direct procurement centres, subsidy for the increased price of sugarcane, sanction of Old Age Pension benefits to those who were on the waiting list, opening of orphanages, sanction of 94 High schools, sanction of 9 instalments of Dearness Allowance and interim relief to Government employees, increased honorarium to Talayaris, etc., and many other welfare measures which were announced in the course of the year. However, the expenditure on the capital account as per the revised estimates has not changed appreciably from the original budgeted expenditure.

Financial position

99. The Honourable Members would recall that in the Revised Estimates, 1983-84 presented to the Legislature, the anticipated deficit for that year was Rs. 129·3 crores. However, the actual closing deficit for the year 1983-84 was only Rs. 42·43 crores. Such a steep reduction was possible because of constant monitoring of the expenditure and disciplined efforts to exercise strict economy. The Government of India also gave a medium term loan of Rs. 55·78 crores which was also responsible for this reduction. In the course of my speech while presenting

the Budget for this year I had indicated that the net deficit at the end of the year will be Rs. 167.5 crores. However, the Revised Estimates now prepared show a closing deficit of Rs. 84.87 crores for the year. Eventhough the Government had announced a number of welfare measures in the course of the year, the additional expenditure on this account has been compensated by increased revenue receipts and economy of expenditure in other areas. The net improvement is largely attributable to the improved opening position for the year 1984-85.

100. The Budget Estimates, 1985-86 show the Revenue receipts as Rs. 2368.46 crores and the Revenue expenditure as Rs. 2314.86 crores giving a surplus of Rs. 53.60 crores on Revenue Account. The Capital expenditure is anticipated to be Rs. 156.95 crores. The net surplus in the Public Debt is expected to be Rs. 166.75 crores; on the other hand, the net transactions under Loans and Advances is expected to show a deficit of Rs. 312.65 crores. Thus on the whole, the deficit in the consolidated Fund will be Rs. 249.26 crores. Together with the surplus of Rs. 20.93 crores on the Public Account, the net effect of the transactions for the year 1985-86 will show a deficit of Rs. 228.33 crores which together with the opening deficit of Rs. 84.87 crores will give the closing deficit for the next financial year as Rs. 313.20 crores.

101. In arriving at the closing deficit for the next financial year one major handicap for the Government has been the fact that the Plan Outlay for next year has not yet been finalised by the Union Planning Commission,

nor has any clear indication been given regarding the increased assistance that would be available from Government of India for 1985–86 which is the first year of the Seventh Plan. Hon'ble Members are aware that Tamil Nadu had received only a low share of the Central assistance given to the States under the Gadgil formula mainly because we have been denied all along the share due to States whose per capita income is below the national average. Though Government of India had taken the right decision of freezing the population of States at the 1971 level in deciding the quantum of assistance based on population, the same principle is not taken for working out the per capita income of States. Consequently, States like Tamil Nadu whose annual population growth rate has been below the national average, kept showing a higher per capita income merely on account of the better performance on the family planning front. We have requested Government of India to rectify this anomaly which, by itself, will increase our share of the Central assistance. We have also sought a revision of the Gadgil formula by seeking suitable weightage for tax effort related to taxable capacity of the State, lack of natural resources and other indices of backwardness such as poverty level, unemployment, etc. We have also sought some weightage for successful implementation of national policies. Any alteration of the formula on this basis, which will have to be finalised by the National Development Council, will entitle Tamil Nadu to receive its due share from Central assistance. Moreover, even in absolute terms, we expect that the assistance during the Seventh Plan will be higher than what it was in the Sixth Plan and based on the

finalisation by Government of India of the quantum of Central assistance for States in the coming year, we expect additional revenues and consequential reduction in the deficit. I would also like to mention here that the Plan outlays projected in the Budget may also have to undergo alterations on the basis of the outlays to be finalised for all the States by the Union Planning Commission.

102. Honourable Members will also agree that there is need for the State to mobilise more resources, particularly in the light of the major commitments that have been taken up for fulfilling the objectives of economic development and improving the living conditions of the people. At the same time, the objective of the Government has been to ensure that these measures do not aggravate the problem of inflation.

103. Therefore, though, there is utmost need to improve the resources of the State, I have refrained from imposing any new taxes or increasing the taxes on such commodities as would cause hardship to the consumers, particularly in the context of the price increases of petroleum products resulting from the levies imposed in the Central Budget. Only a few selective measures have been thought of which can mop up additional revenues for the State without affecting the common man. I now give below the measures which are proposed to be implemented next year :

(1) The excise on arrack is proposed to be raised from Rs. 4 per bulk litre to Rs. 6.

(2) The sales tax on arrack will also be raised from the prevailing 6 per cent to 25 per cent.

These measures are expected to yield an additional revenue to the exchequer of around Rs. 40 crores and as the trade margins are reasonably high at present, the new levies are expected to be absorbed by the trade.

(3) It is also proposed to revise upwards the rates of motor vehicles taxation on various categories of vehicles. Necessary legislation to this effect incorporating the amendments to the Motor Vehicles Taxation Act will be introduced in the Assembly.

These measures will provide an additional revenue of approximately Rs. 10 crores. The major share of these will be from the increase of quarterly tax on the town buses from the present Rs. 150 per passenger to Rs. 180 per passenger and on mofussil buses from the present rate of Rs. 195 to Rs. 225 per passenger.

(4) Over the years, there has been steep increase in the market prices fetched by the various major and minor minerals as well as in the prices of finished products obtained from these minerals. It has also become necessary for the Government to spend more in streamlining the organisational set up for ensuring proper mining operations. Therefore, it is considered necessary to introduce a mineral rights tax on the following major minerals which will be equal to the royalty levied on them at present :

(*a*) Limestone
(*b*) Lignite
(*c*) Magnesite

(*d*) Bauxite
(*e*) Ilmenite
(*f*) Zircon
(*g*) Gypsum

It is also proposed to increase the seigniorage rates on minor minerals and consequentially revise upwards the upset price for the auction of these minerals. Black granite and grey granite have shown to possess great potential for exports to foreign markets and the price fetched in the export market has also been increasing over the years. Compared to these prices, the seigniorage rates at present prevailing have been extremely low. The Government propose to raise the seigniorage on black granites from Rs. 200 per cubic metre to Rs. 400 per cubic metre and to charge a seigniorage rate of Rs. 200 per cubic metre on grey granites quarried in blocks for purposes of export. The seigniorage rate on grey granite stones quarried for indigenous uses will remain unaltered at the prevailing rate of Rs. 1.60 per cubic metre. These measures are expected to yield an additional revenue of Rs. 4 crores.

104. These taxation measures mentioned above will cumulatively provide an additional revenue to the extent of Rs. 54 crores.

105. Honourable Members are aware that, over the years, the Government have been examining and reviewing the sales tax measures in order to remove any undue hardship to the consumers and to ensure that these revenue raising measures do not, in any way, hamper the growth

of critical sectors of the economy. The trade has also been requesting for the conversion of the multi point tax on various commodities into single point tax. These requests have to be examined in the light of the need to plug the possibilities of evasion. As an initial measure, I propose to convert the multi point tax of 5 per cent on certain agricultural products which are consumed by everyone into single point tax of 8 per cent. These commodities are, chillies, tamarind, turmeric, coriander and pepper. I am confident, that this will be welcomed by all the consuming public as it should bring down the prices of these commodities in the market and the small traders and retailers will also be relieved to a considerable extent. I also expect the full co-operation of the trade in implementing these measures which would help the Government to rationalise the tax structure and further streamline and simplify our procedures.

106. As a part of the efforts of this Government to boost the agricultural production and help the small and marginal farmers, it is also proposed to exempt manures from the prevailing rate of 5 per cent multi point tax.

107. In the new technological age that is being ushered into this country, electronic industry and computers are playing an increasingly important role. We recognise the importance of this sector in the industrial growth of this State and, in order to give assistance to this industry, the rate of sales tax on these products will be reduced from 12 per cent to 10 per cent.

108. The abovementioned measures may result in a loss of revenue of around Rs. 5 crores and the net additional resource mobilisation will be Rs. 49 crores, leaving us with a closing deficit of Rs. 264.20 crores.

109. On the basis of the decision regarding the additional Central assistance both by way of Plan assistance and higher share of market borrowings, we expect this deficit to be brought down significantly. We also expect Government of India to extend special assistance for clearing the closing deficit that we may be left with at the end of year, 1984-85.

Honourable Speaker Sir,

110. Such policies, objectives and schemes, which we placed before the public and on the basis of which we formed this Government under the worthy leadership of the Honourable Chief Minister Puratchi Thalaivar M.G.R. after receiving the affection, support, confidence and trust of the great majority of the people—these are being implemented scrupulously one after the other by this Government.

111. This Report has indicated clearly and in detail, what we have done so far and the works that are to be taken up in future.

112. I believe that the considered views of the Members who take part in the discussions on this Budget and their opinions reflecting the depth of their thinking, their sincere intentions and cultured outlook will help to pave the way for the well-being of the people and the

prosperity of the State. I hope that the affection, support and co-operation of the Honourable Members will help in making the discussions fruitful and further strengthening the honour and reputation of this House.

113. I offer my whole-hearted thanks to the Finance Secretary Thiru C. Ramachandran and the officers and staff of Finance Department as well as the Government Servants belonging to various departments who have been of immense help to me in preparing this Budget proposals.

114. Once again, I request the House to approve the Annual Financial Statement for the year 1985-86.

Vanakkam.

V. R. NEDUNCHEZHIYAN,
Minister for Finance.

Madras,
26th March 1985,
Panguni 13, Rakthatchi,
Thiruvalluvar Aandu, 2016.